Regional NIAGARA

1982 ANNUAL FINANCIAL REPORT

THE REGIONAL MUNICIPALITY OF NIAGARA

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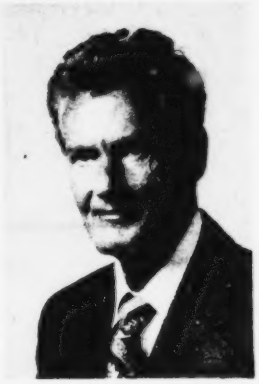
A Message From The Chairman



In my message one year ago, I closed my remarks with the statement that "1982 will see the implementation of new policies and continuation of efforts to ensure the economic prosperity of the Region". I am pleased to report that based on the results contained in the attached financial statements, policies which have been put in place in 1982 and prior years are having their desired effects. Expenditures have been kept at manageable levels and Regional services continue to meet, and in some cases exceed, normal standards.

1982 was indeed a challenging year for the Niagara Region. The nation was in the grip of the most severe economic recession since World War II and nearly all municipalities of the nation including those in the Region of Niagara, had to contend with above average rates of unemployment and rising costs due to abnormally high rates of inflation. Consequently, restraints were required at every level of government and business.

In Regional Government we took unprecedented measures to combat the effects of the recessive economy. Policies on restraints were introduced, debated and resolved in a manner consistent with prudent financial management. For example, the Regional general levy on the Area Municipalities was held to an average increase of 9.8% over the 1981 level; this, in spite of the fact that inflation over the same period averaged 10.8%.

Perhaps the most challenging aspect to the Region's economy in 1982, was the abnormal levels of unemployment. Every effort was taken to ensure that all available programs at the Federal and Provincial levels were used to lessen the financial impact on our citizens. These included the approval at the Regional level, of capital projects under the Canada/Ontario Employment Development Program. The total gross cost of that program was calculated at $3.8 million, of which application for funding amounted to approximately $1.1 million attributable to wages. This amount is based on 149 jobs assigned to previously unemployed persons.

The newly established Niagara Region Development Corporation became firmly established in 1982 and immediately took steps to pursue an active program of encouraging and co-ordinating commercial and industrial development in the Region.

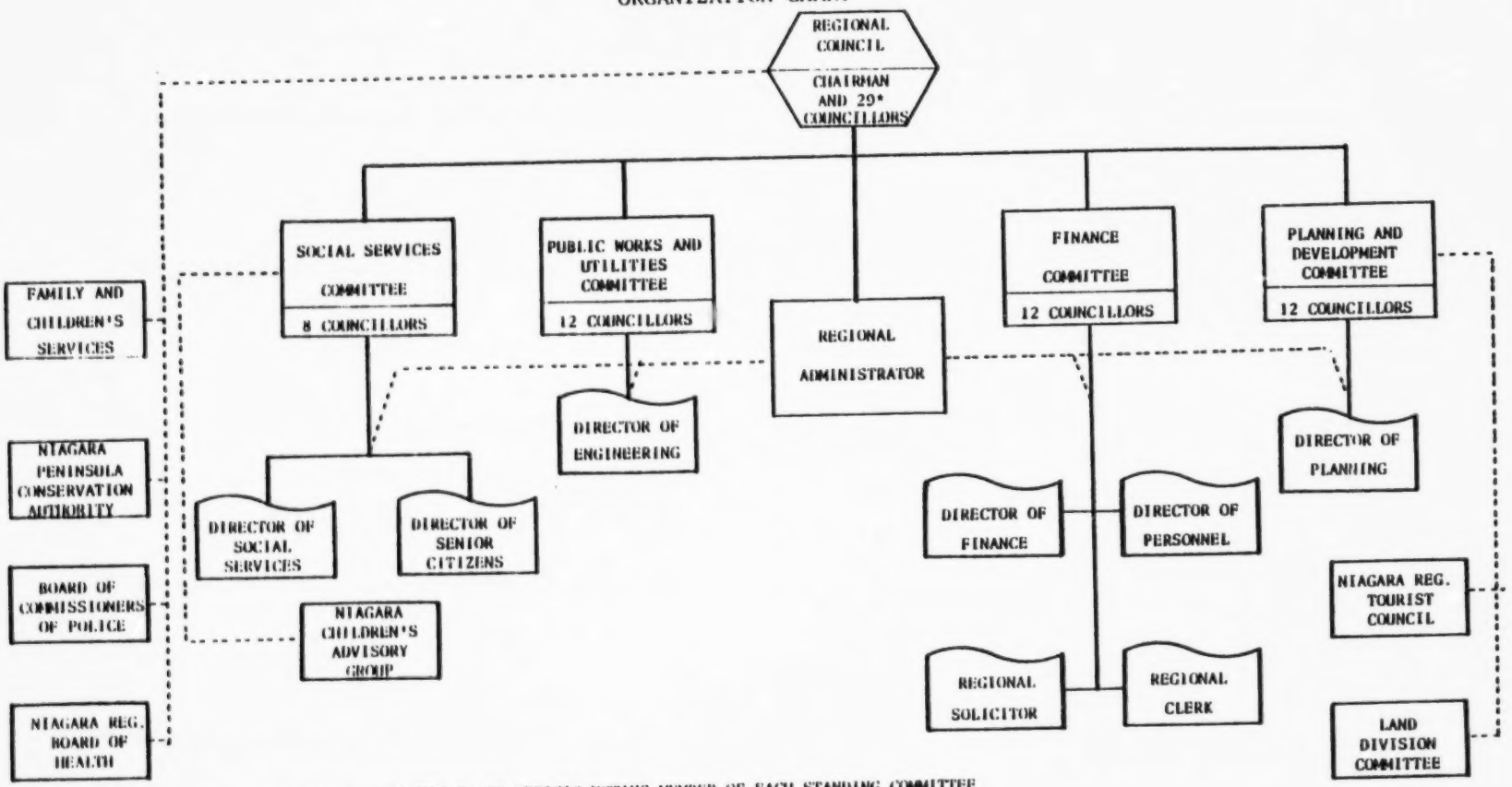
Unfortunately, the battle is not over and there are many more sacrifices to be made. There is some solace in that unemployment and inflation appears to be trending downwards. However, there are still too many members of our community who are out of work today. Nevertheless, I see this as a temporary problem. Our area boasts above average resources; it has an economic base that is diversifying and with the capital infrastructure that is in place, it has the potential to expand well into the future.

We in Regional Government will continue to take those steps that are necessary to provide regional services at the least possible costs and to ensure fiscal responsibility and accountability to you, the citizens of Niagara.

John E. Campbell
Chairman

THE REGIONAL MUNICIPALITY OF NIAGARA

ORGANIZATION CHART



* REGIONAL CHAIRMAN IS EX OFFICIO VOTING MEMBER OF EACH STANDING COMMITTEE

** 12 MAYORS, 17 REGIONAL COUNCILLORS

Treasurer's Report

To The Chairman and Members of Regional Council

I am pleased to present you with the financial statements for the year 1982. As you will observe from these statements, the Region completed another year of successful operations. Expenditures were kept within budgetary limitations and in large part, this was possible only with the determination of staff and the co-operation of members of Council.

The statements you have before you have been examined by the Region's Auditors, Crawford, Smith and Swallow. The Auditor's applied generally accepted auditing principles and tests in their assessment of the Region's accounts and found that the statements have been fairly presented and consistent with those of the preceding years. In testament to their opinion, they have written a letter to this effect. That letter is also attached for information.

In preparing the 1982 budget, Regional Council directed each Department, Board and Commission to exercise restraint and control in spending by restricting the introduction of new programs and expansion of existing ones. Council's concern over expenditure levels led them to establish a policy of limiting budgetary increases to a 10% net increase over the prior year's budget. This policy resulted in the current budget being approved with an increase of 9.4% which was just below the limit established by Council. On the capital side, Council approved the unprecedented action of extending the long term capital program from the traditional four year program into an eight year program. This move will have the effect of lessening the impact of capital expenditures on the forthcoming budgets while at the same time fully recognizing the policy of restricting spending to a minimum.

Efforts at improving the financial reporting functions and ensuring accountability at every spending level were also taken at the beginning of 1983 when Council approved implementation of an automated resource management system. This new data processing system is now being put in place and should be fully operational by 1984. It will provide a higher level of financial and management information that is generated in both a timely and accurate manner.

These and other measures are having the desired effect of reducing the level of spending and ultimately the burden of taxation on our residents. However, I would hasten to add that the level of Regional services provided continue to match, if not surpass in some areas, those available elsewhere in Ontario.

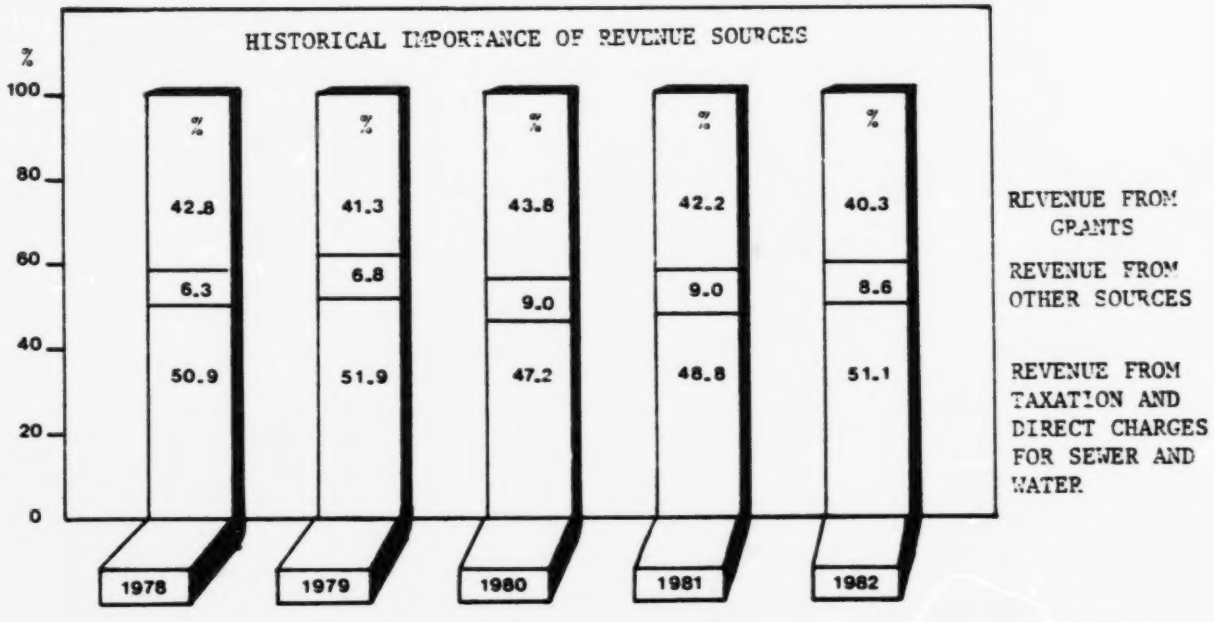
Several areas in the accompanying financial statements are worth noting. In this respect, I would like to take this opportunity of reviewing them with you as follows:

Revenues

In 1982, total revenues collected amounted to $113.0 million. Of this, the Regional taxpayer contributed 51.1% through the Regional tax levy and direct charges for sewer and water use. The Province, through its grants and subsidies programs provided 40.3% with the remainder coming from other sources such as fees and investment income.

When compared to previous years, the Provincial share of total Regional revenues collected is the lowest it has been over the last five years. This is a direct reflection of the Province's restraint policies which results in the fact that the local taxpayers are being required to bear a greater share of the financial burden associated with municipal services.

The general per capita grant rate from the Province increased by 10% from $10 per capita in 1981 to $11 per capita in 1982. However, it is interesting to note that despite this increase, the impact on the Region's revenues was negligible given the fact that the Region's population has remained fairly constant and the cost of Regional services is increasing at a faster rate.

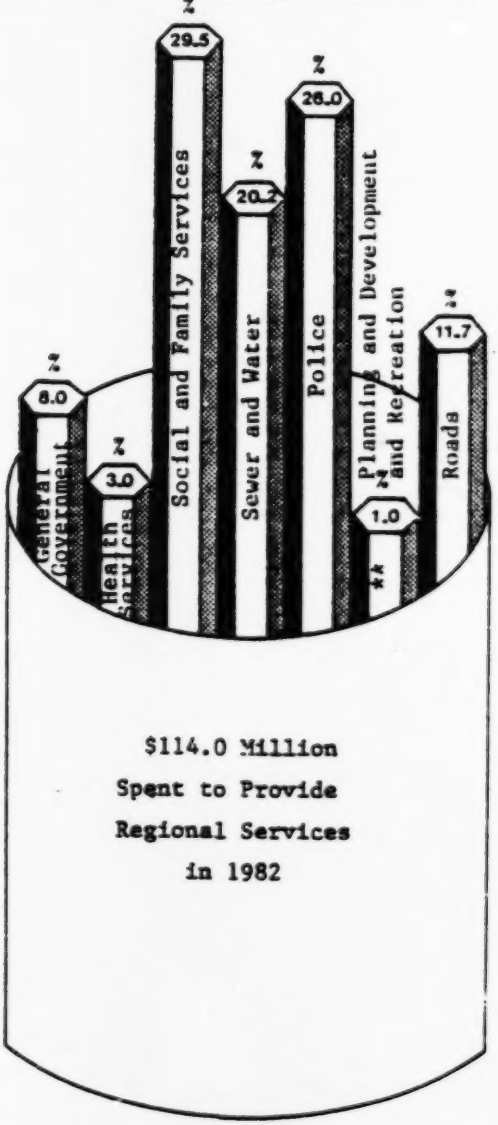


Expenditures

Expenditures in 1982 were concentrated in three main areas; protection to persons and property (police), environmental services (sewer and water) and social and family services. These three functional activities accounted for $86.2 million, or 76% of the total spent. The lion's share went to social and family services to provide services in Homes for the Aged, Day Nurseries and Children's Aid.

Although there have been slight decreases in the proportions attributable to police and environmental services, these two areas have remained relatively constant at 26% and 20% respectively over the last several years. In 1982, the Region spent approximately $114.0 million to meet functional obligations.

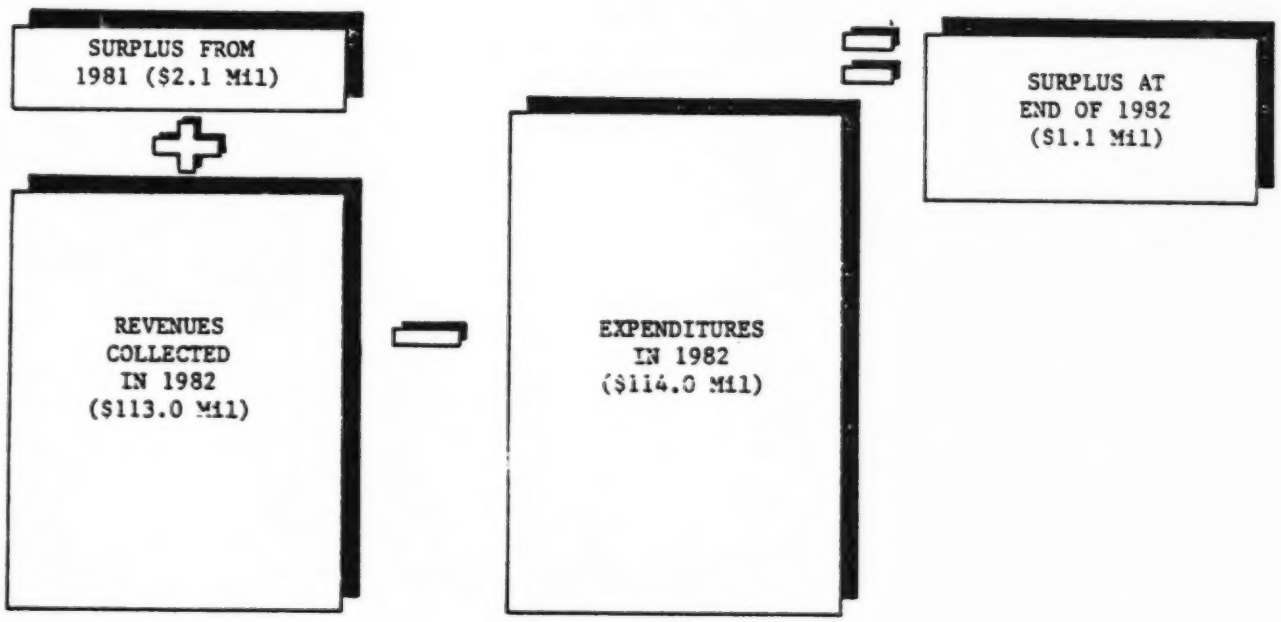
DISTRIBUTION OF EXPENDITURES IN 1982



Operating Surplus

At the end of the year, the Region closed its books with an operating surplus of $1.1 million representing 1% on expenditures of $114 million. This amount is lower than the prior year's surplus, but nonetheless, is reflective of the fact that all steps are being taken to ensure efficient management of funds that are collected and spent. Although achieving a surplus is evidence of prudent financial management, from a municipal viewpoint surpiusses should be kept to a minimum whenever possible. This policy is necessary to reduce the financial impact on the taxpayer. Therefore the reduction in surplus experienced in 1982 should be viewed as a step in the right direction.

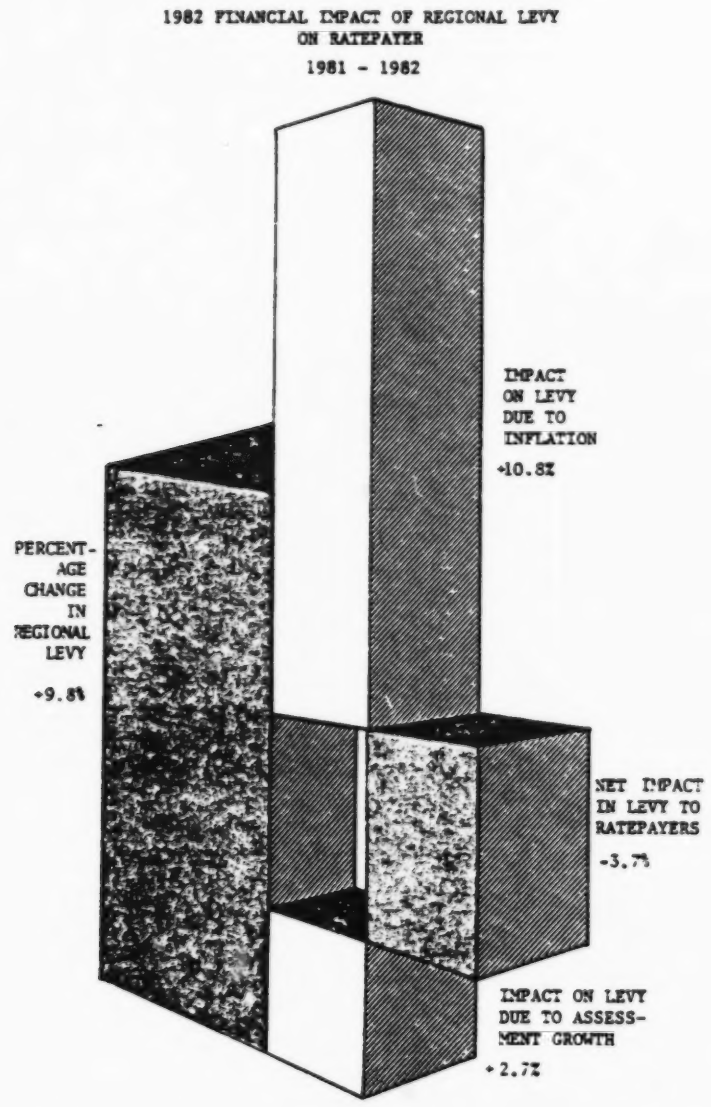
SUMMARY OF CURRENT OPERATIONS:



Financial Impact

In assessing the impact of the Regional levy on the ratepayers, at the very least two factors should be taken into account. First, the impact of the levy should be measured against any change in the level of assessments in which the levy is collected and second against changes in costs due to inflation. In addition, both the apportionment protection guarantee and density grants provided by the Province and used by the Area Municipalities to reduce the impact of the levy should be taken into consideration.

After discounting for the above two grants, the levy charged against Regional taxpayers rose by 9.8% from $32.5 million in 1981 to $35.7 million in 1982. However, both inflation and assessments increased by 10.8% and 2.7% respectively. Thus the impact of the levy on the taxpayer was in fact a negative 3.7%. In other words, inflation was a major factor in accounting for the increase which was softened considerably by the growth in assessments experienced over the year 1981 and 1982.

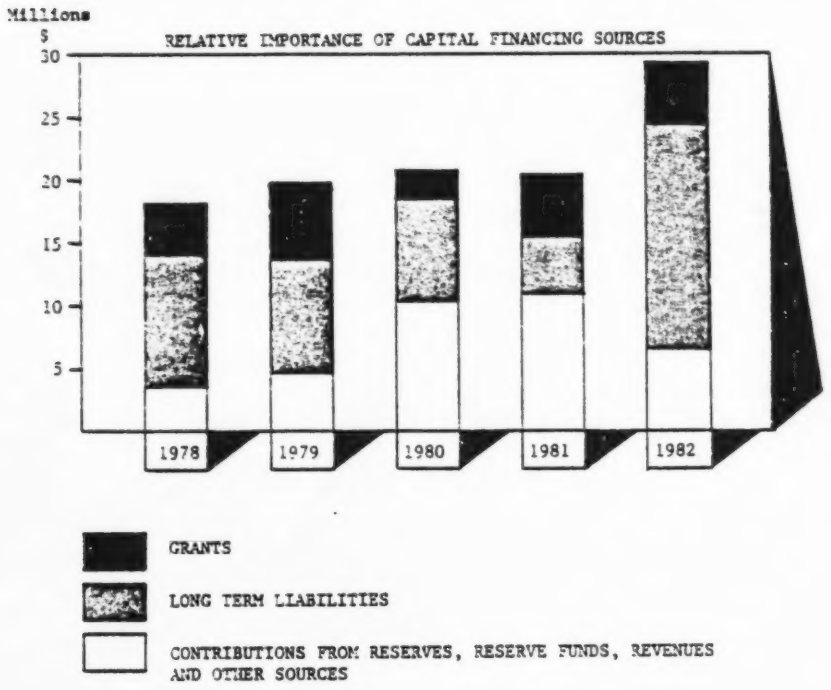


Capital Operations

The Region spent approximately $26 million to finance capital infrastructure in 1982. Fully 46.1% of this expenditure was allocated to sewer and water services, with transportation services (roads) accounting for 30.5% and general government (buildings, etc.) 20.2%.

One significant change in capital expenditure was noted in the requirements of police services. Expenditures in this area decreased by 79% over the level experienced in 1981.

Capital financing in 1982 was accomplished primarily from three sources; the Region's own funds, the issuance of debentures and grants from other levels of governments, most noteably the Province. These combined sources have been growing at an annual average rate of 12% since 1978. However, grant contributions from the Province have increased annually by an average of 1% reflecting that government's restraint in supporting the financing of municipal services. This is counterbalanced by the growth rate in contributions from the Region's reserves and reserve funds and other internal financing sources which have increased at an annual average rate of 19% over the last five years. The bulk of the capital financing in 1982 was made through long term debt. However, it is anticipated that with the capital levy in place, this situation will change in the near future.



Sanitary Sewage and Water Works Operations

Both the sewer and water systems are completely self sustaining with respect to the method of financing. In this regard, a complete review of the financing options are undertaken each year to ensure the minimum recoverable charge to the Area Municipalities and ultimately the consumers.

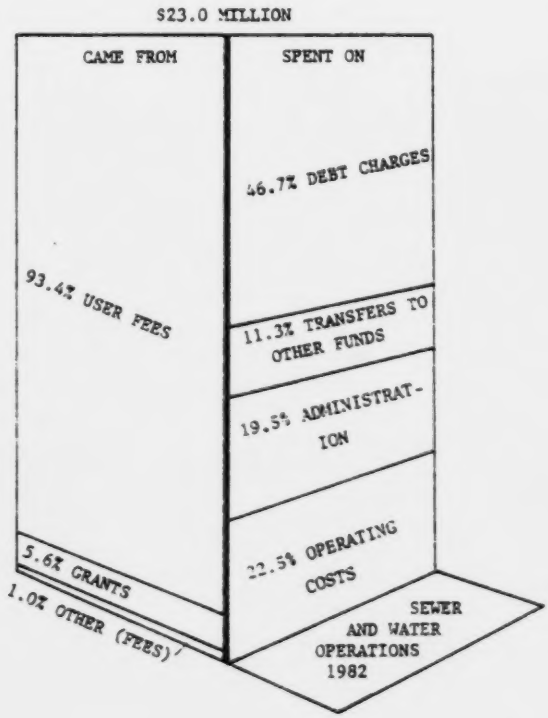
One of the most critical factors in arriving at a fair and equitable rate is the forecast of flows. In recent years, these flows have been less than anticipated and consequently the rate charged had to be adjusted accordingly.

Despite the adjustment to flows forecast and restraint in capital expenditures, financing costs and the rate of inflation were abnormally high in 1982. The combination of these factors necessitated increases in the sewer and water rates charged for that year. Nonetheless, the forecast for future rates is reassuringly smaller in that as the year progressed, inflation, the cost of financing and the flows have begun to readjust to more normal levels.

Another encouraging note was the fact that the goal of achieving a "pay-as-you-go" strategy remains on target and should be achieved by the late eighties. This will avoid the costs associated with long term financing.

In 1982, the Region spent $23.0 million on the sewer and water systems. Of this amount, $10.7 million was allocated to capital debt and $9.7 million to operations and administration. Revenues from direct billings against the Area Municipalities provided $21.5 million of which $8.2 million and $13.3 million were attributed to water and sewer billings respectively. As of the end of 1982, the Region had accumulated long term liabilities, in both these systems, in an amount totalling $85.1 million.

Since the operations are self sustaining, all surplusses resulting from current operations are used to stabilize rates or reduce debt.



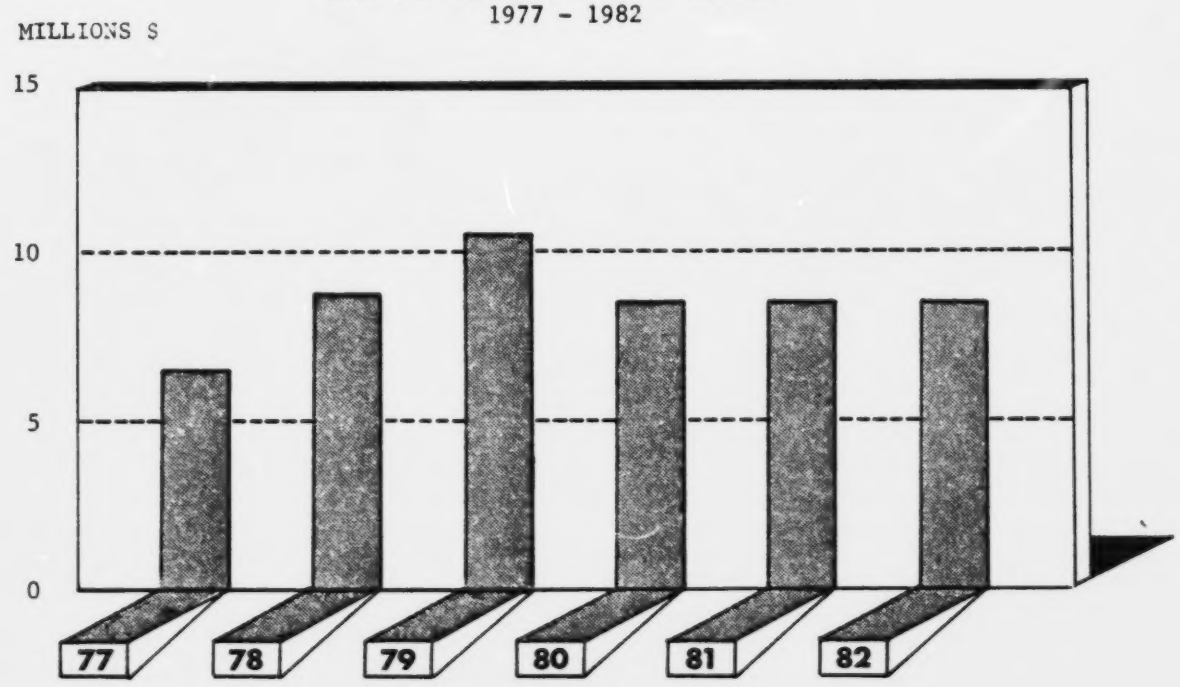
Reserves and Reserve Funds

The Region's reserve and reserve fund balances continue to demonstrate the strong position they have been experiencing over the last several years. At the end of 1982, the balance stood at $8.8 million which is near the average for the years 1980 to 1982. The Region spent $3.5 million out of its reserves in 1982, the bulk of which was allocated to finance capital operations.

This mode of financing capital will continue to play a significant and important role in future financing strategies and it is in keeping with the Region's policy to "pay-as-you-go".

Because of prudent management, the Region earned $1.7 million in interest income from reserve balances in 1982. This, combined with contributions from current operations, produced total reserve revenues of $4.6 million for the year 1982.

RESERVES AND RESERVE FUND BALANCES
1977 - 1982



Conclusion

The preceding remarks highlighted certain aspects of the financial undertakings which occurred in 1982. I would now like to close my remarks with a brief comment on what I perceive as factors which have and could influence financing strategies for the Region in the past and the future.

Obviously, the prevailing economic climate influences the Regional taxpayer's ability to meet his obligations for municipal services. In my view, 1982 represented one of the most difficult periods ever encountered in trying to maintain the economic well being of this Region. High levels of inflation, unprecedented levels of interest rates and unemployment left the Regional taxpayer at a clear disadvantage in 1982 vis a vis other residents in Ontario, where net disposable incomes were concerned. However, when the year ended, there were strong indications of improvements to these factors.

The rates of inflation which had peaked at 12% and 13% in 1982 are now down to 6%. Similarly, the cost of borrowing now averages 11% compared to 17% over a year ago. These two factors are helping to stimulate the activities in the building sector which had reached unprecedented low levels in 1982.

With this renewed activity, unemployment is showing signs of weakening and in my estimation, the economy in general will continue to improve, albeit at a less than rapid rate.

Despite these signs of improvement, the economic scars of the last few years are still visible. In this regard, we must continue our efforts to effect Regional services in the most cost efficient manner possible without diminishing the level to the Regional taxpayer.

Efforts at assuring cost efficiencies are already taking place in all of the Region's departments. These include, as I previously mentioned, the expanded capital works program, and the implementation of a new computerized system of accounting. These steps are designed to effect cost efficiencies in both service and administration.

On the wider economic front, both the Federal and Provincial governments have introduced capital works programs to help stem the tide of unemployment in the Region. The C.O.E.D. program, for example, in which our Region is a participant, has stimulated capital works in the neighbourhood of $4 million of which application for funding was approved for approximately $1 million. This program will result in 149 jobs assigned to previously unemployed persons who will contribute approximately 2,524 man weeks in projects approved to date. The Federal government also

announced special job creation programs totalling $12.6 million that will involve repair work and land development along the Welland Canal. These programs will create another 400 jobs over the next several years. The full effect of these programs and other renewed activities in the private sector will not be felt immediately. However, I feel confident that this Region is at a crossroad and with the continued efforts on our part, improvements will be forthcoming.

S. C. Mowder
Director of Finance

Six- Year Financial Review

(All dollar amounts are in thousands of dollars, except per capita figures.)

	1982	1981	1980	1979	1978	1977
Population at the end of the year.	367,838	371,796	367,665	367,228	367,317	366,054
Area in acres at the end of the year.	459,776	459,776	459,776	459,776	459,776	459,776
Employees - continuous full time						
- part time	1,920	1,958	1,976	1,947	1,952	1,924
Number of households.	137,197	137,191	136,477	135,531	133,722	130,800
Assessment						
Taxable assessment upon which the year's rates of taxation were set						
Residential and farm	$ 555,413	$ 540,374	$ 534,988	$	$	$
Commercial and industrial	304,528	297,915	293,243	812,291	796,745	772,176
Business						
Total	$ 859,941	$ 838,289	$ 828,231	$ 812,291	$ 796,745	$ 772,176
Per capita	$ 2,338	$ 2,254	$ 2,253	$ 2,212	$ 2,169	$ 2,109
Commercial and industrial, and business as a percentage of taxable assessment	35.4 %	35.5 %	35.4 %	Not available %	Not available %	Not available %
Exempt assessment	$ 53,977	$ 54,157	Not available	Not available	Not available	Not available
Provincial equalization factor	N/A	N/A	N/A	N/A	N/A	N/A
Revenue for general municipal services						
Taxation	$ 57,745	$ 49,260	$ 39,912	$ 39,081	$ 36,123	$ 34,218
Payments in lieu of taxes	-	-	-	-	-	-
Ontario grants	45,622	42,632	37,021	31,134	30,367	28,451
Other grants	11	32	35	38	-	-
Fees and service charges	7,710	6,787	5,392	4,441	4,028	3,838
Other	1,914	2,261	2,154	652	769	1,264
Total	$ 113,002	$ 100,972	$ 84,514	$ 75,346	$ 71,287	$ 67,771
	%	%	%	%	%	%
Expenditure - general municipal	$ 113,957	$ 99,400	$ 84,262	$ 76,032	$ 71,998	$ 65,793
Net long term liabilities						
General municipal activities	$ 98,084	$ 84,848	$ 83,266	$ 77,496	$ 54,556	$ 48,651
- per capita	267	228	226	211	149	133
- percentage of taxable assessment	11.4 %	10.1 %	10.1 %	9.5 %	6.8 %	6.3 %
Municipal enterprises	$(included above)	$(included above)	$(included above)	$(included above)	$ 17,735	$ 14,481
Charges for net long term liabilities						
General municipal activities						
- per capita	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A
- as a mill rate	N/A	N/A	N/A	N/A	N/A	N/A
Capital financing during the year						
Contributions from own funds	$ 5,223	$ 6,765	$ 5,925	$ 2,869	$ 2,700	$ 2,604
Long term liabilities incurred	17,710	5,353	7,764	7,989	10,362	7,692
Ontario grants	4,964	5,236	2,784	6,545	4,776	4,554
Other	1,587	4,290	4,396	2,105	689	2,884
Total	$ 29,484	$ 21,644	$ 20,869	$ 19,508	$ 18,527	$ 17,734
Capital expenditure during the year	$ 25,989	$ 22,143	$ 23,138	$ 20,550	$ 20,990	$ 15,601
Accumulated net revenue (deficit) at the end of the year	$ 1,139	$ 2,094	$ 522	$ 270	$ 956	$ 1,667
Reserves and reserve funds	$ 11,344	$ 8,822	$ 8,563	$ 10,436	$ 8,730	$ 6,973

Other Financial Agencies

AUDITORS: ..... Crawford Smith & Swallow,
Chartered Accountants

BANKERS: ..... Canadian Imperial Bank of Commerce

FISCAL AGENCY:

CO-MANAGERS ..... Wood Gundy Limited
..... Dominion Securities Ames Limited
..... Levesque, Beaubien Inc.

OTHER MEMBERS ..... Burgess Graham Securities Ltd.
..... McLeod Young Wier Ltd.
..... Bell Gouinlock Ltd.
..... Greenshields Ltd.
..... Walwyn Stodgell Cochrane Murray Ltd.

FISCAL SOLICITOR: ..... Tilley, Carson and Findlay

Auditor's Report

Crawford, Smith and Swallow
Chartered Accountants

4741 Queen Street
Niagara Falls, Ontario
L2E 2M2
(416) 356-4200

Laurence C. Crawford, F.C.A.
Robert F. Smith, C.A.
John C. Swallow, C.A.
Howard J. Lever, C.A.
Herman B. Hunter, C.A.
Norman E. Armitage, C.A.
Thomas E. Hilton, C.A.
Thomas A. McClintock, C.A.
William J. McGarvey, C.A.
Edward R. Stephen, C.A.
George F. Johnson, B. Comm., C.A.
H. Wayne Hobbs, C.A.
William R. Heaton, C.A.
Paul K. Hayes, C.A.
A. William Haskin, B.Sc., C.A.
B. Wayne Burdon, C.A.
Derek P. B. Hill, B.A., C.A.

Trustees in Bankruptcy
John C. Swallow, C.A.
Norman E. Armitage, C.A.

Offices in:
Niagara Falls, Ontario
St. Catharines, Ontario
Fort Erie, Ontario

crawford smith & swallow

To the Members of Council,
Inhabitants and Ratepayers of
The Regional Municipality of Niagara

We have examined the consolidated balance sheet of The Regional Municipality of Niagara as at December 31, 1982 and the consolidated statements of revenue and expenditure, capital operations, and reserve and reserve funds continuity and analysis of year end position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of The Regional Municipality of Niagara as at December 31, 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles for Ontario municipalities applied on a basis consistent with that of the preceding year.

Crawford, Smith & Swallow

CRAWFORD, SMITH & SWALLOW
Chartered Accountants

Municipal Auditors' Licence No. 662

Niagara Falls, Ontario
September 14, 1983

Financial Statements

THE REGIONAL MUNICIPALITY OF NIAGARA

CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 1982

ASSETS

	1982 $	1981 $
UNRESTRICTED		
Cash	2,454,513	507,701
Accounts receivable	10,686,864	13,063,065
Other current assets	7,816,692	1,303,315
	20,958,069	14,874,081
RESTRICTED		
Cash	82,763	-
Note receivable	5,598,509	3,654,704
Investments [note 2]		
- current	682,477	982,253
- non-current-own	1,589,265	2,180,906
- non-current-other	890,705	891,671
	8,843,719	7,709,534
CAPITAL OUTLAY FINANCED BY LONG TERM LIABILITIES AND TO BE RECOVERED IN FUTURE YEARS [note 2]	98,084,406	84,848,272
	127,886,194	107,431,887

LIABILITIES

CURRENT		
Temporary loans	2,282,882	5,079,347
Note Payable	5,598,510	3,654,704
Accounts payable and accruals	8,255,109	6,319,505
Other	3,023,521	2,232,863
	19,160,022	17,286,419
NET LONG TERM LIABILITIES (note 3)	98,084,406	84,848,272

FUND BALANCES AT THE END OF THE YEAR [note 9]

TO BE USED TO OFFSET TAXATION OR USER CHARGES IN 1982 (Schedule 1)	1,139,099	2,094,222
UNAPPLIED CAPITAL RECEIPTS	455,574	173,084
CAPITAL OPERATIONS NOT YET PERMANENTLY FINANCED (Schedule 2)	(2,297,077)	(5,791,878)
RESERVES (Schedule 3)	2,500,451	1,112,234
RESERVE FUNDS (Schedule 4)	8,843,719	7,709,534
	127,886,194	107,431,887

(The accompanying notes are an integral part of this financial statement.)

THE REGIONAL MUNICIPALITY OF NIAGARA

CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1982

	Budget 1982 $	Actual 1982 $	Actual 1981 $
FUNDS PROVIDED BY:			
REQUISITIONS AND USER CHARGES			
Requisitions on other governments	56,972,940	57,744,598	49,260,084
User charges	7,476,269	7,923,464	6,828,531
GRANTS			
Government of Canada	517,020	739,804	3,181,070
Province of Ontario	49,044,190	50,585,838	47,869,331
Other municipalities	472,300	442,539	1,046,957
OTHER			
Investment income	454,654	1,991,576	1,482,998
Sale of land	20,000	15,450	-
Other	393,679	1,115,585	617,763
PROCEEDS FROM THE ISSUE OF LONG TERM LIABILITIES	7,984,400	17,709,890	5,352,829
MUNICIPAL FUND BALANCES AT THE BEGINNING OF THE YEAR			
To be used to offset taxation or user charges	668,300	2,094,222	572,159
Capital operations not yet financed	-	(5,791,878)	(5,293,280)
TOTAL FINANCING AVAILABLE DURING THE YEAR	124,003,752	134,571,088	110,868,442

	Budget 1982 $	Actual 1982 $	Actual 1981 $
FUNDS USED FOR:			
CURRENT OPERATIONS			
General government	7,592,176	9,726,084	6,535,404
Protection to persons & property	29,673,291	29,606,685	26,489,440
Transportation services	13,007,016	13,350,821	12,472,030
Environmental services	22,178,998	23,017,242	20,327,671
Health services	4,120,319	3,448,605	3,542,036
Social & Family Services	33,834,443	33,617,610	29,053,436
Recreation & cultural services	17,500	17,500	-
Planning and development	1,213,661	1,172,794	980,191
TOTAL CURRENT APPLICATIONS	111,637,404	113,957,341	99,400,208
LESS: Appropriations to Other Funds	5,397,794	6,527,101	6,259,644
NET CURRENT APPLICATIONS	106,239,610	107,430,240	93,140,564
CAPITAL OPERATION			
General Government	945,000	5,252,369	623,957
Protection to Persons & Property	2,467,000	212,099	1,021,910
Transportation	4,321,300	7,918,333	9,150,913
Environment	6,124,000	11,978,036	9,525,609
Health Services	145,000	7,688	-
Social & Family Services	89,000	396,379	820,877
Planning & Development	-	11,520	23,621
Other	-	213,016	976,050
TOTAL CAPITAL APPLICATIONS	14,091,300	25,989,440	22,142,937
LESS: Appropriations to Other Funds	-	213,016	976,050
NET CAPITAL APPLICATIONS	14,091,300	25,776,424	21,166,887
NET APPROPRIATIONS TO RESERVES & RESERVE FUNDS	2,400,639	2,522,402	258,647
MUNICIPAL FUND BALANCES AT THE END OF THE YEAR			
To be used to offset taxation or user charges	-	1,139,099	2,094,222
Capital operations not yet financed	1,272,203	(2,297,077)	(5,791,878)
TOTAL APPLICATIONS DURING THE YEAR	124,003,752	134,571,088	110,868,442

(The accompanying notes are an integral part of this financial statement.)

SCHEDULE 1

THE REGIONAL MUNICIPALITY OF NIAGARA

ANALYSIS OF CURRENT OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1982

	1981 Actual $	1982 Actual $	1982 Budget $	Budget Comparison Over(Under) $
REVENUE				
REQUISITIONS AND USER CHARGES				
Requisitions on other Governments	49,260,084	57,744,398	56,972,940	771,458
User Charges	6,828,531	7,923,464	7,476,269	447,195
GRANTS				
Government of Canada	32,101	11,411	17,020	(5,609)
Province of Ontario	42,632,548	45,622,025	45,877,940	(255,915)
Other Municipalities				
OTHER				
Investment Income	412,052	623,987	211,256	412,731
Other	1,806,955	1,076,733	413,679	663,054
TOTAL MUNICIPAL CURRENT REVENUE	100,972,271	113,002,218	110,969,104	2,033,114
LESS: Appropriations from Other Funds	1,283,231	362,400	215,000	147,400
NET MUNICIPAL CURRENT REVENUE	99,689,040	112,639,818	110,754,104	1,885,714
EXPENDITURES AND APPROPRIATIONS				
General government	6,535,404	9,726,084	7,592,176	2,133,908
Protection to persons & property	26,489,440	29,606,685	29,673,291	(66,606)
Transportation services	12,472,030	13,350,821	13,007,016	343,805
Environmental services	20,327,671	23,017,242	22,178,998	838,244
Health Services	3,542,036	3,448,605	4,120,319	(671,714)
Social and family services	29,053,436	33,617,610	33,834,443	(216,833)
Recreation and cultural services	-	17,500	17,500	-0-
Planning & development	980,191	1,172,794	1,213,661	(40,867)
TOTAL MUNICIPAL CURRENT EXPENDITURES	99,400,208	113,957,341	111,637,404	2,319,937
LESS: Appropriations to Other Funds	6,259,644	6,527,101	5,397,794	1,129,307
NET MUNICIPAL CURRENT EXPENDITURES	93,140,564	107,430,240	106,239,610	1,190,630
EXCESS OF NET MUNICIPAL REVENUE OVER NET MUNICIPAL EXPENDITURES	6,548,476	5,209,578	4,514,494	695,084
NET APPROPRIATIONS TO OTHER FUNDS	4,976,413	6,164,701	5,182,794	981,907
SURPLUS (DEFICIT) FOR THE YEAR	1,572,063	(955,123)	(668,300)	(286,823)
SURPLUS AT THE BEGINNING OF THE YEAR	522,159	2,094,222	668,300	1,425,922
SURPLUS AT THE END OF THE YEAR [note 4]	2,094,222	1,139,099	-0-	1,139,099

SCHEDULE 2

THE REGIONAL MUNICIPALITY OF NIAGARA

ANALYSIS OF CAPITAL OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1982

	1982 Actual $	1981 Actual $
FUNDS PROVIDED BY		
Long term liabilities incurred	17,709,890	5,352,829
Ontario Grants	4,963,813	5,236,783
Other	1,587,634	4,289,965
Appropriations from other funds		
- current operations	1,747,825	2,673,416
- reserves	150,000	-
- reserve funds	3,325,079	4,091,346
	29,484,241	21,644,339
FUNDS USED FOR		
General Government	5,252,369	623,957
Protection to persons and property	212,099	1,021,910
Transportation services	7,918,333	9,150,913
Environmental services	11,978,036	9,525,609
Health services	7,688	-
Social and family services	396,379	820,877
Planning and development	11,520	23,621
Other	213,016	976,050
	25,989,440	22,142,937
SURPLUS (DEFICIT) OF FUNDS PROVIDED IN THE YEAR	3,494,801	(498,598)
CAPITAL OPERATIONS NOT YET FINANCED AT THE BEGINNING OF THE YEAR	5,791,878	5,293,280
CAPITAL OPERATIONS NOT YET FINANCED AT THE END OF THE YEAR	2,297,077	5,791,878

SCHEDULE 3

THE REGIONAL MUNICIPALITY OF NIAGARA

ANALYSIS OF RESERVES
FOR THE YEAR ENDED DECEMBER 31, 1982

	Total	Workers' Compensation	Working Funds	Accumulated Sick Leave	Insurance Deductible	Industrial Development	Health Unit Cap. Exp.	Contingency
	$	$	$	$	$	$	$	$
BALANCE AT THE BEGINNING OF THE YEAR	1,112,234	246,321	545,000	144,823	6,463	144,022	25,605	-
APPROPRIATIONS FROM (TO):								
Current Operations	1,526,781	-	1,000,000	8,329	219,180	(65,000)	-	364,272
Capital Operations	(140,469)	-	(150,000)	-	-	-	-	9,531
	2,498,546	246,321	1,395,000	153,152	225,643	79,022	25,605	373,803
INTEREST EARNED	1,905	-	-	-	-	-	1,905	-
BALANCE AT THE END OF THE YEAR	2,500,451	246,321	1,395,000	153,152	225,643	79,022	27,510	373,803

SCHEDULE A

THE REGIONAL MUNICIPALITY OF NIAGARA

ANALYSIS OF RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1982

	Total	Building Standards	Equipment Replacement	Property Acquisition	Sewer/ Water Capital Levy	Welland Canal Crossing	Sew. Works Refundable Debentures	Waterworks Refundable Debentures	Future Headquarters Building	Rate Stab Sewage Works	Rate Stab. Water Works	Debt Stab. Sewage Works	Debt Stab. Water Works	Health Unit Future Expenditure
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
BALANCE AT THE BEGINNING OF THE YEAR	7,709,534	208,652	1,014,006	(10,971)	-	3,589,067	97,500	52,500	1,339,703	(563,701)	1,095,514	269,354	617,910	-
REVENUE														
Interest Earned	1,365,684	36,471	215,691	58,208	96,281	328,719	24,015	12,932	173,914	-	186,699	86,327	143,664	2,763
Contributions from current operations	3,173,045	73,460	710,991	-	1,366,856	-	97,500	52,500	60,000	659,767	-	62,930	9,041	80,000
Contributions from capital operations	70,557	-	-	70,557	-	-	-	-	-	-	-	-	-	-
	4,609,286	109,931	926,682	128,765	1,463,137	328,719	121,515	65,432	233,914	659,767	186,699	149,257	152,705	82,763
EXPENDITURES														
Contributions to current operations	150,022	-	-	-	-	53,956	-	-	-	96,066	-	-	-	-
Contributions to capital operations	3,325,079	75,008	487,917	17,794	564,000	1,079,445	-	-	986,702	-	-	44,764	69,449	-
	3,475,101	75,008	487,917	17,794	564,000	1,133,401	-	-	986,702	96,066	-	44,764	69,449	-
BALANCE AT THE END OF THE YEAR	8,843,719	243,575	1,452,771	100,000	899,137	2,784,365	219,015	117,932	586,915	-0-	1,282,213	373,847	701,166	82,763

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

(a) Basis of Consolidation

(i) Consolidated Balance Sheet

This statement reflects the assets and liabilities of the revenue fund, reserve funds, the capital fund, and includes the activities of all Committees of Council and the following local boards, municipal enterprises and utilities which are under the control of Council:

- Health Unit
- Board of Commissioners of Police
- Sewage Operations
- Water Treatment Operations
- Children's Services Committee

(ii) Consolidated Statement of Operations

This statement reflects the consolidated sources of financing and expenditures of the revenue fund, reserves, reserve funds and the capital fund of the municipality and those local boards, municipal enterprises and utilities described in note (a) (i).

(iii) For those local boards, municipal enterprises, and utilities of the municipality which are not consolidated, the "Consolidated Balance sheet" does not reflect their assets or liabilities except to the extent of amounts due to or from those entities. The "Consolidated Statement of Operations" does not reflect their revenues and expenditures except to the extent of the municipality's contribution to those entities.

Those entities which are not consolidated are as follows:

- Family Planning Program
- Infant Education and Parent Training Program
- Home Care Programs
- Niagara Peninsula Conservation Authority

(b) Basis of Accounting

(i) Sources of financing and expenditures are reported on the accural basis of accounting with the exception of principal charges on long term liabilities which are charged against operations in the periods in which they are paid. The principal charges are not accrued for the period(s) from the date(s) of the latest instalment payment(s) to the end of the financial year. In 1982, Council approved the accrual of a portion of the interest accrued to December 31, 1982.

This represents a change from prior years and impacts on the expenditures as follows:

	Current Interest Accrued to Dec. 31/82 $	Accrued Interest Recorded $	Current Accrued Interest to be Funded in Future $
General Revenue Fund	462,283	462,283	-
Sewage Works Revenue Fund	514,100	250,000	264,100
Water Works Revenue Fund	630,276	500,000	130,276
	1,606,659	1,212,283	394,376

(ii) The source of financing for long term liabilities incurred of $10,169,070 issued for Water Treatment facilities and $3,484,420 issued for Sewage Treatment facilities is reflected in the water and sewage flow rates and in the general municipal revenues.

2. Investments

The total of investments of $3,162,447 (1981 $4,054,830) recorded on the "Consolidated Balance Sheet" at cost, have a market value of $2,796,888 (1981 $3,321,000) as at the end of the year.

3. Liability for Past Service Provision of Pension Agreements

Under the past service provision of pension agreements, the municipality is obligated at December 31, 1982 for an amount of approximately $6,150,860 (1981 $6,157,497) as established for the plans. No provision has been made for this liability. An amount of $757,687 (1981 $757,687) has been provided for in the current year and is reported on the "Consolidated Statement of Operations".

4. Liability for Vested Sick Leave Benefits

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the municipality's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on terminating, amounted to $8,807,045 (1981 $7,899,076) at the end of the year. An amount of $153,152 (1981 $144,823) has been accumulated for this past service liability and is reported on the "Consolidated Balance Sheet". An amount of $90,000 (1981 $90,000) has been provided for in the current year and is reported on the "Consolidated Statement of Operations". It is the Region's practice to fund this liability through current operations.

5. Net Long Term Liabilities

	1982 $	1981 $
(a) The balance for net long term liabilities reported on the Balance Sheet is made up of the following:		
Total long term liabilities incurred by the municipality including those incurred on behalf of other municipalites and municipal enterprises and outstanding at the end of the year amount to	148,053,752	128,876,024
In addition, the municipality has assumed the responsibility for the payment of principal and interest charges on certain long term liabilities issued by other municipalities. At the end of the year, the principal amount of this liability is	5,452,973	6,548,423
Of the long term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by other municipal enterprises and other municipalities. At the end of the year, the outstanding principal amount of this liability is	(50,130,643)	(45,760,152)
Of the long term liabilities shown above, the responsibilities for payment of principal and interest charges for tile drainage and shoreline property assistance loans has been assumed by individuals. At the end of the year, the outstanding principal amount of this liability is	(3,290,216)	(3,094,934)
The balance in the Ministry of the Environment Debt Retirement Fund which have been accumulated to the end of the year to retire the outstanding long term liabilities included above, amount to	(2,001,460)	(1,721,089)
Net Long Term Liabilities at the end of the year	98,084,406	84,848,272

(b) Of the net long term liabilities reported in (a) of this note, $23,852,875 in principal payments are payable from 1983 to 1987, $28,663,470 from 1988 to 1992, and $45,568,061 thereafter.

(c) Note 10 deals with a subsequent event affecting long-term liabilities.

(d) Approval of the Ontario Municipal Board has been obtained for the long term liabilities reported on the "Consolidated Balance Sheet".

Such Approval of the Ontario Municipal Board has been obtained for the pending issue of long term liabilities and for those commitments to be financed from revenues beyond the term of Council.

6. Municipal Equity at the End of the Year

The balances on the "Consolidated Statement of Operations" of municipal equity at the end of the year is comprised of the following

	1982	1981
- For General Reduction of taxation	1,139,099	2,094,222
- Acquisition of fixed assets to be financed from the proceeds of long term liabilities	(2,297,077)	(5,791,878)
	($1,157,978)	($3,697,656)

7. Reserves and Reserve Funds

The balance of reserves and reserve funds of $11,344,170 (1981 $8,821,768) and their designated uses are disclosed in Schedules 3 and 4 respectively.

8. Charges for Net Long Term Liabilities

The total charges for the year for net long term liabilities which are reported on the "Consolidated Statement of Operations" are as follows:

	1982	1981
Principal payments including payments to the Ministry of the Environment Debt Retirement Fund	$ 4,469,622	$ 4,197,730
Interest	10,265,456	7,808,043
	$14,735,078	$12,005,773

The charges for long term liabilities assumed by the non-consolidated entities or by individuals in the case of tile drainage and shoreline property assistance loans are not reflected in these statements nor is the outstanding indebtedness included in the "Consolidated Balance Sheet".

9. Contingent Liabilities

(a) The municipality is contingently liable for long term liabilities with respect to tile drainage and shoreline property assistance loans, and to those for which the responsibility for the payment of principal and interest has been assumed by other municipalities, unconsolidated local boards and municipal enterprises. The total amount outstanding as at December 31, 1982 is $3,290,216 (1981 $3,094,934) and is not recorded on the "Consolidated Balance Sheet".

(b) In addition to the comments made under note 9 (a) above, the municipality is contingently liable for the following:

(i) Andre and Pauline Alma, File: CL-03-10

This is a claim for alleged damages resulting from the construction and maintenance of the Smithville Sewage Lagoon. A Writ has been issued against the Regional Municipality and the Ministry of the Environment. The amount claimed totals approximately $65,000, but there has been some suggestion that this claim may be settled shortly.

(ii) Starlight Motel and Kozy Korner Restaurant, Files: CL-02-19 and 21

These two claims are for business losses purported to have been caused by improvements to Stanley Ave. and McLeod Road. The two claims total $725,000.

(iii) L.J.W. Holdings Inc., File: CL-02-18

This is a claim for injurious affection, and is still being reviewed for settlement in the approximate sum of $7,500.

(iv) Five-O Taxi Ltd.

This is a claim for reimbursement of transfer fees. In August, 1978, the Police Licensing Committee assessed transfer fees of $10,000 against Five-O Taxi. The principal amount of $10,000 plus approximate interest of $5,000 is being claimed. The Licensing Committee feels that this matter will be resolved in 1983.

10. Pending Claim (Ministry of the Environment)

On December 18, 1981, Regional Council approved a submission to the Niagara Task Force of the Ministry of the Environment.

The submission was a claim resulting from the February 16, 1977 decision from the Minister of Housing and the February 27, 1981 decision of the Ontario Municipal Board concerning urban area boundaries.

The amount of the claim, which represents the costs due to underutilization of Regional servicing facilities resulting from identified oversizing, was approximately $2,050,000. Subsequent to year end, but prior to publication of these statements, the Ministry approved a reimbursable amount of $1,531,078. An amount of $232,356 cash will be used to offset future debt; the remaining $1,298,722 is being applied in 1983 towards reducing sewage works debt owing to the Ministry.

11. Subsequent Events

On July 15, 1983, the Regional Municipality received the proceeds from the sale of $8,400,000 in debentures for the following purposes:

	$	$
Own Purposes		5,375,800
On Behalf of Area Municipalities:		3,024,200
		8,400,000

12. Prior Year's Figures

Certain of the prior year's figures have been reclassified to conform with the current year's presentation.